ECONOMIC COMMENTARY

Employment Trends in Alberta's Largest Municipalities

February 24, 2014

Highlights:

Alberta's largest 10 municipalities on an employment basis accounted for 69.2% of total Alberta employment in 2011 according to recently released estimates from the National Household Survey. Employment in those 10 municipalities grew by an estimated 8.8% between 2006 and 2011 and the largest industry was retail trade, followed by healthcare and social assistance, professional, scientific and technical services and construction.

Alberta Government

Overview

In this commentary we will examine employment trends in Alberta's 10 largest municipalities between 2006 and 2011. The data sources are the 2006 Census long form, the 2011 Census and the 2011 National Household Survey[1]. All estimates are on a place of residence basis, i.e. where the employees live rather than where they work. The municipalities were selected on the basis of their total employment in 2011. In 2011, these 10 municipalities accounted for 69.2% of total Alberta employment (Chart 1), up from 68.2% in 2006. The same municipalities also make Alberta's top 10 list on a population basis.

Chart 1
Employment Shares for Alberta's 10 Largest Municipalities

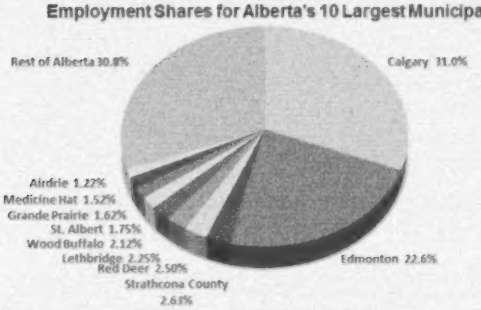
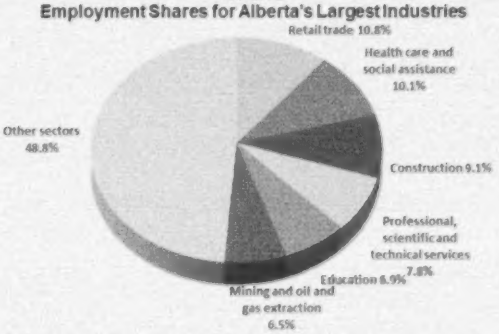


Chart 2
Employment Shares for Alberta's Largest Industries

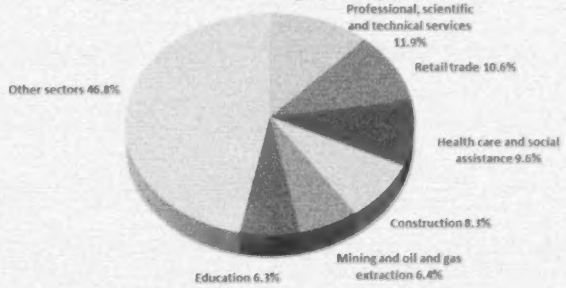

Retail trade 10.8%
Health care and social assistance 10.1%
Other sectors 48.8%
Construction 9.1%
Professional, scientific and technical services 7.8%
Education 6.9%
Mining and oil and gas extraction 6.5%

In eight of the 10 municipalities employment growth between 2006 and 2011 was lower than population growth. The reason for the lower employment growth was increased unemployment in the aftermath of the global recession: Alberta's unemployment rate rose from 3.7% in May 2006 to 5.4% in May 2011.

Calgary

The city of Calgary remained Alberta's largest municipality with estimated employment of just over 617,000 in 2011, a 6.5% increase from the 2006 census. By comparison, Calgary's total population increased by 10.9% between the two census years. The city's unemployment rate rose from 4.1% in 2006 to 6.0% in 2011.

Chart 3
Employment Shares for Calgary's Largest Industries


Professional, scientific and technical services 11.9%
Retail trade 10.6%
Other sectors 46.8%
Health care and social assistance 9.6%
Construction 8.3%
Mining and oil and gas extraction 6.4%
Education 6.3%

[1] Statistics Canada provides the following note about the comparability of the two surveys: When comparing estimates from the 2006 Census long form and estimates from the 2011 National Household Survey (NHS) users should take into account the fact that the two sources represent different populations. The target population for the 2006 Census long form includes usual residents in collective dwellings and persons living abroad whereas the target population for the NHS excludes them. Moreover, the NHS estimates are derived from a voluntary survey and are therefore subject to potentially higher non-response error than those derived from the 2006 Census long form.

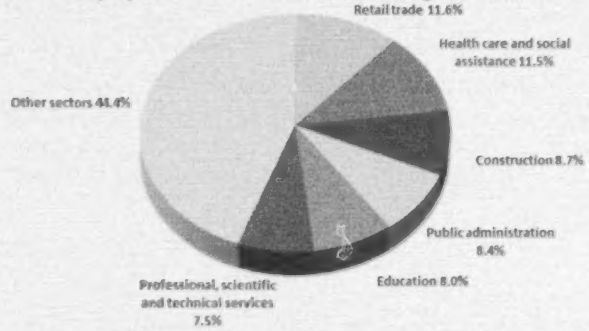
Calgary accounted for 31.0% of Alberta employment, virtually unchanged from the 31.1% share in 2006. Calgary's largest sector on an employment basis in 2011 was professional, scientific and technical services with 73,685 employees. Calgary accounted for 47.2% of Alberta's employment in that sector, mainly as a result of it being the Alberta center for a large number of engineering and computer systems design companies. The next largest sectors in 2011 were retail trade (65,675 employees), health care and social assistance (59,170) and construction (51,285). Calgary also has a relatively large mining and oil and gas sector with 39,355 employees because of its many oil and gas head offices.

Edmonton

Edmonton is Alberta's second largest municipality and it accounted for 22.6% of Alberta employment in 2011, up from a 22.0% share in 2006. Between 2006 and 2011, Edmonton employment grew strongly by 10.1% to 451,395. Edmonton's total population increased by 11.2% between the two census years. The city's unemployment rate rose from 4.9% in 2006 to 6.0% in 2011.

Edmonton's largest sector on an employment basis in 2011 was retail trade with 52,145 employees. Other large sectors include health care and social assistance (51,775), construction (39,420) and public administration (37,735; especially in provincial government). Edmonton also has a relatively large manufacturing sector with 29,930 employees, many of whom work in the oil and gas related machinery and fabricated metals sub-sectors.

Chart 4
Employment Shares for Edmonton's Largest Industries

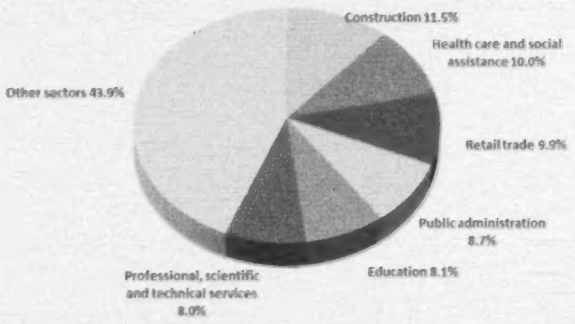


Strathcona County

The County of Strathcona is now the third largest municipality on an employment basis with 52,460 jobs, an increase of 10.4% from 2006. Strathcona's total population increased by 12.1% between the two census years. The county's unemployment rate rose from 3.5% in 2006 to 4.2% in 2011.

Strathcona moved up one notch in the employment ranking as it passed the city of Red Deer, which was ranked third in 2006. Strathcona's share of Alberta employment rose slightly from 2.55% in 2006 to 2.63% in 2011. Its largest sector was construction with 6,025 jobs,

Chart 5
Employment Shares for Strathcona County's Largest Industries



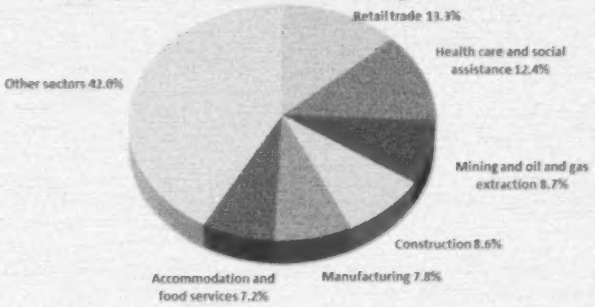
followed by health care and social assistance (5,230), retail trade (5,205) and public administration (4,550).

Red Deer

The city of Red Deer dropped to the number four spot, accounting for 2.50% of Alberta employment, down from 2.62% in 2006. Employment stood at 49,740 in 2011, a 2.0% increase from 2006. Red Deer's total population increased by 8.9% between the two census years. The city's unemployment rate rose from 4.4% in 2006 to 6.3% in 2011.

Red Deer's largest sector was retail trade with 6,610 jobs, followed by health care and social assistance (6,185), mining and oil and gas (4,310) and construction (4,280). Red Deer also has a relatively large manufacturing sector with 3,875 employees: the largest manufacturing sub-sectors are food processing, chemicals and machinery.

Chart 6
Employment Shares for Red Deer's Largest Industries

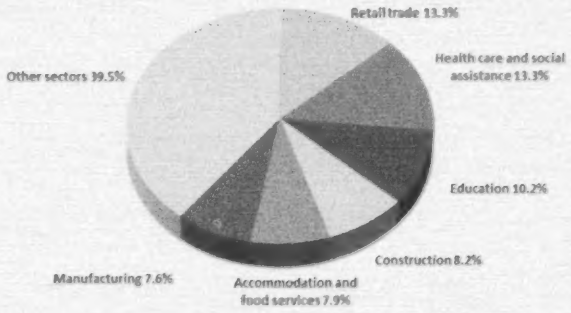

Retail trade 13.3%
Health care and social assistance 12.4%
Other sectors 42.0%
Mining and oil and gas extraction 8.7%
Construction 8.6%
Accommodation and food services 7.2%
Manufacturing 7.8%

Lethbridge

Employment in the city of Lethbridge increased strongly by 12.5% between 2006 and 2011 to 44,870. Lethbridge's total population increased by 11.8% between the two census years. The city's unemployment rate rose from 4.4% in 2006 to 6.4% in 2011.

Lethbridge's share of Alberta employment rose slightly from 2.14% in 2006 to 2.25% in 2011. Lethbridge's largest sector was retail trade with 5,970 jobs, followed by health care and social assistance (5,965), education (4,580) and construction (3,675). Lethbridge also has relatively large accommodation and food services and agricultural sectors. On the other hand, its oil and gas sector has the lowest employment share (1.1%) among the 21 municipalities.

Chart 7
Employment Shares for Lethbridge's Largest Industries



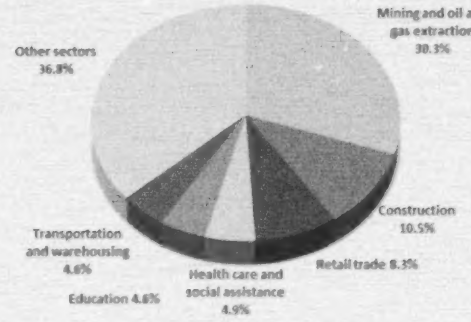
Wood Buffalo

The regional municipality of Wood Buffalo saw its employment grow sharply between 2006 and 2011 with a 30.4% increase to 42,290. The region's population increased by 27.3% between

the two census years. Wood Buffalo's unemployment rate rose from 4.0% in 2006 to 4.7% in 2011.

Wood Buffalo's share of Alberta employment grew from 1.74% in 2006 to 2.12% in 2011 and the municipality passed St. Albert to take sixth place. As most of Alberta's oil sands are located in the region, Wood Buffalo's largest sector by a landslide is mining and oil and gas with 12,810 employees. This sector accounts for 30% of total employment in Wood Buffalo. The next largest sectors are construction (4,435), retail trade (3,490) and health care and social assistance (2,090).

Chart 8
Employment Shares for Wood Buffalo's Largest Industries

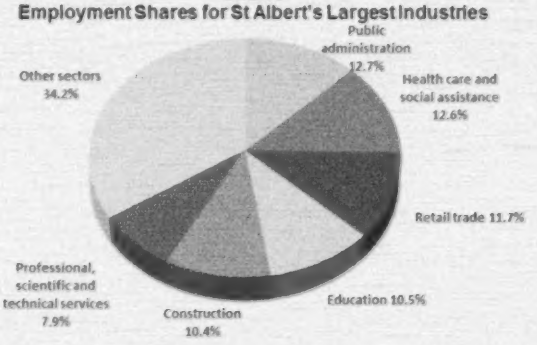


St. Albert

Between 2006 and 2011, St. Albert's employment level rose 3.6% to 34,870. The city's population increased by 6.4% between the two census years. The city's unemployment rate rose from 3.8% in 2006 to 4.3% in 2011.

St. Albert's share of provincial employment declined from 1.81% in 2006 to 1.75% in 2011. St. Albert's largest sector was public administration with 4,085 jobs as many government workers live in St. Albert but work in Edmonton. Other large sectors include health care and social assistance (4,060), retail trade (3,775) and education (3,385). St. Albert also has a relatively large construction sector with 3,365 employees.

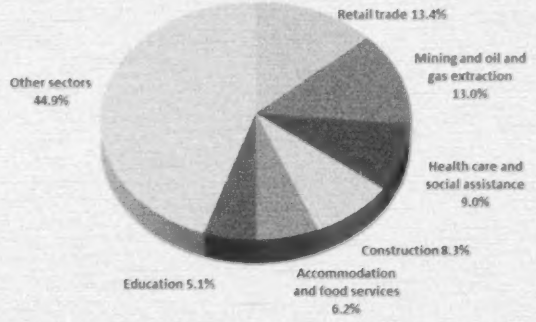
Chart 9
Employment Shares for St Albert's Largest Industries



Grande Prairie

Employment rose strongly by 12.6% in the city of Grande Prairie between 2006 and 2011 to 32,235. The city's total population increased by 16.8% between the two census years. The city's unemployment rate rose from 3.6% in 2006 to 4.8% in 2011.

Chart 10
Employment Shares for Grande Prairie's Largest Industries


Retail trade 13.4%
Mining and oil and gas extraction 13.0%
Health care and social assistance 9.0%
Construction 8.3%
Accommodation and food services 6.2%
Education 5.1%
Other sectors 44.9%

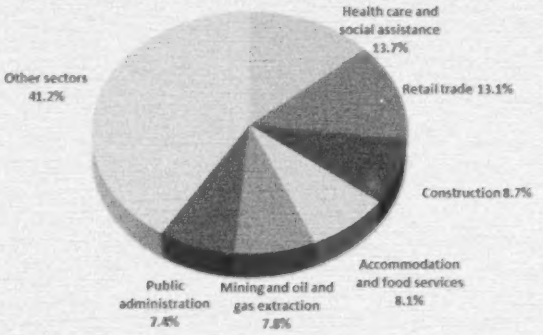
Grande Prairie's share of provincial employment increased from 1.54% in 2006 to 1.62% in 2011. Grande Prairie's largest sector was retail trade with 4,675 jobs, followed by mining and oil and gas (4,550), health care and social assistance (3,150) and construction (2,900). In Grande Prairie, the retail trade and mining and oil and gas sectors account for a much larger share of total employment than in most other municipalities.

Medicine Hat

In Medicine Hat, employment actually declined by 2.3% between 2006 and 2011 to 30,340. By comparison, Medicine Hat's total population increased by 5.3% between the two census years. The reason for the employment decline is that the city's unemployment rate rose sharply from 4.0% in 2006 to 7.3% in 2011.

Medicine Hat's share of provincial employment declined from 1.67% in 2006 to 1.52% in 2011. It would appear that Medicine Hat's decline was caused by substantial employment losses in agriculture, oil and gas and manufacturing. Medicine Hat's largest sector was health care and social assistance with 4,170 jobs, followed by retail trade (3,980), construction (2,625), mining and oil and gas (4,550) and accommodation and food services (2,455) and mining and oil and gas (2,380).

Chart 11
Employment Shares for Medicine Hat's Largest Industries

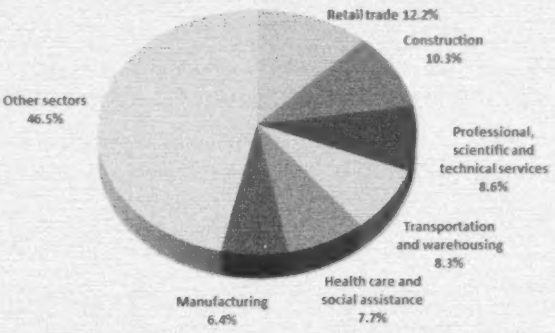

Health care and social assistance 13.7%
Retail trade 13.1%
Construction 8.7%
Accommodation and food services 8.1%
Mining and oil and gas extraction 7.8%
Public administration 7.4%
Other sectors 41.2%

Airdrie

Of the 21 municipalities included in this overview Airdrie had the largest employment gain between 2006 and 2011 with a 45.3% increase to 24,300. The city's total population increased by 47.1% between the two census years. Airdrie's unemployment rate rose from 3.1% in 2006 to 4.7% in 2011.

This large jump caused Airdrie's share of provincial employment to rise from 0.90% in 2006 to 1.22% in 2011. Employment gains were especially large in the oil and gas, retail and construction sectors. Airdrie's largest sector was retail trade with 2,965 jobs, followed by construction (2,515), professional, scientific and technical services (2,085) and health care and social assistance (1,860).

Chart 12
Employment Shares for Airdrie's Largest Industries



Summary

In Charts 13 and 14 we compare the industry shares for the above 10 municipalities combined (urban Alberta) and the rest of Alberta (rural Alberta). Not unexpectedly, the industries with the largest urban – rural share differentials are the predominantly rural industries: agriculture and forestry (8.7% share in rural Alberta vs. 0.4% share in urban Alberta); and mining and oil and gas (8.6% in rural Alberta vs. 5.6% in urban Alberta). Urban Alberta has larger shares in the service sectors, such as retail trade (11.2% vs. 10.2%), healthcare and social assistance (10.4% vs. 9.2%), accommodation and food services (6.3% vs. 5.0%) and especially professional, scientific and technical services (9.1% vs. 4.9%).

Chart 13
Employment Shares by Industry for Urban Alberta

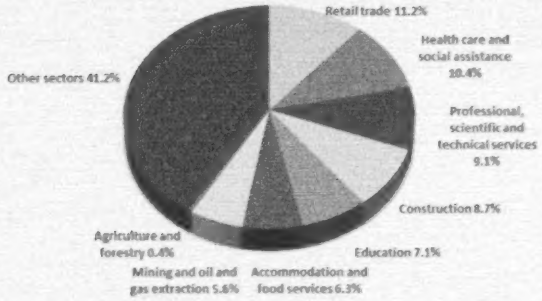
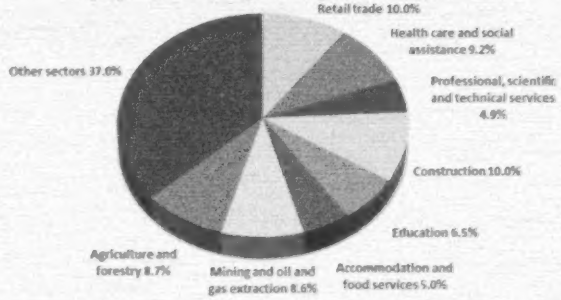

Retail trade 11.2%
Health care and social assistance 10.4%
Professional, scientific and technical services 9.1%
Construction 8.7%
Education 7.1%
Accommodation and food services 6.3%
Mining and oil and gas extraction 5.6%
Agriculture and forestry 0.4%
Other sectors 41.2%

Chart 14
Employment Shares by Industry for Rural Alberta


Retail trade 10.0%
Health care and social assistance 9.2%
Professional, scientific and technical services 4.9%
Construction 10.0%
Education 6.5%
Accommodation and food services 5.0%
Mining and oil and gas extraction 8.6%
Agriculture and forestry 8.7%
Other sectors 37.0%

Between May 2006 and May 2011, employment in Alberta grew by 7.2% based on Census and NHS estimates, an increase that is very similar to the 7.4% growth that the Labour Force Survey indicates over the same period. Employment in urban Alberta grew by 8.8% while in rural Alberta the increase was a much smaller 3.6%. Nevertheless, rural Alberta's 3.6% rise is larger than the 2.2% increase that was registered for all of Ontario over the same period.